

FISCAL NOTE

Bill #: HB0700

Title: Revise allocation and use of metal mines license tax

Primary Sponsor: Mendenhall, S

Status: As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
General Fund	\$0	\$0
State Special Revenue	\$92,000	\$95,000
Revenue:		
General Fund	(\$92,000)	(\$95,000)
State Special Revenue	\$92,000	\$95,000
Net Impact on General Fund Balance:	(\$92,000)	(\$95,000)

- | | |
|---|---|
| <input checked="" type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Revenue:

1. This bill would revise the disposition of the metalliferous mines license tax collected under 15-37-Part 1 MCA. The amount to be allocated to the state general fund is reduced from 58% to 57%. The amount allocated to a state special revenue fund for distribution to the counties is increased from 24 to 25%. The amounts to be allocated to the hard-rock mining impact account (state special revenue fund), hard-rock mining reclamation debt service fund, and the reclamation and development grants program (state special revenue fund) remain the same at 2.5%, 8.5%, and 7% respectively.
2. The Legislative Fiscal Division has forecast metalliferous mine license tax revenues of \$9.187 million and \$9.540 million for FY 2006 and FY 2007, respectively. This bill would reduce general fund revenues by \$92,000 = ((58%-57%) x \$9.187 million) in FY 2006 and by \$95,000 = ((58%-57%) x \$9.540 million) in FY 2007. County revenues would be increased by the same amounts.
3. This bill has an effective date of July 1, 2005.
4. This bill would have no administrative impact on the Department of Revenue.

Fiscal Note Request HB0700, As Introduced

(continued)

FISCAL IMPACT:

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
<u>Expenditures:</u>		
Transfers	\$92,000	\$95,000
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$92,000	\$95,000
<u>Revenues:</u>		
General Fund (01)	(\$92,000)	(\$95,000)
State Special Revenue (02)	\$92,000	\$95,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$92,000)	(\$95,000)
State Special Revenue (02)	\$0	\$0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

1. County revenue would increase by \$92,000 in FY 2006 and \$95,000 in FY 2007.
2. The bill would repeal 7-6-2226 MCA, thus eliminating the county metal mines reserve account. This and other parts of the bill would restrict how the counties could use metalliferous mines license tax revenues.
3. The bill would change the name of the county hard-rock mine trust reserve account in 7-6-2225 MCA to the county hard-rock mine account and place restrictions on the use of funds in the account.

LONG-RANGE IMPACTS:

General fund revenue would be reduced by \$90,000 to \$100,000 per year for the foreseeable future.